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FM AMEMBASSY BERLIN
TO RUEHC/SECSTATE WASHDC IMMEDIATE 7173
INFO RUCNMEM/EU MEMBER STATES COLLECTIVE PRIORITY
RUEHBJ/AMEMBASSY BEIJING PRIORITY 0854
RUEHMO/AMEMBASSY MOSCOW PRIORITY 1705
RUEHKO/AMEMBASSY TOKYO PRIORITY 1384
RUEHBS/USEU BRUSSELS PRIORITY

C O N F I D E N T I A L BERLIN 000360

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STATE FOR ISN/CPI AND EUR/AGS

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TAGS: [PREL](#) [KNNP](#) [KNAR](#) [PARM](#) [IR](#) [GM](#)

SUBJECT: GERMANY NOTIFIED OF ADDITIONAL DESIGNATIONS OF
IRANIAN ENTITIES UNDER E.O. 13382

REF: A. STATE 19366

[1](#)B. BERLIN 335

[1](#)C. BERLIN 307

[1](#)D. STATE 16917

Classified By: Economic Counselor Douglas P. Neumann, for reasons 1.4 (b) and (d).

[1](#)1. (C) Global Affairs officer delivered ref A demarche to Ursina Krumpholz and Ernst Roeder-Messell in the German Ministry of Economics and to Claudia Schuett in the German Ministry of Foreign Affairs February 20. The officials thanked us for the information on the additional Iranian entities sanctioned under E.O. 13382 and said they would convey it to other appropriate German agencies.

[1](#)2. (C) Roeder-Messell, Deputy Office Director of the Foreign Trade Law and Law of the Sea Division, noted that Germany's preliminary order to freeze the assets of entities listed in the UNSCR 1737 Annex already applies to Kalaye Electric Company. He said German authorities would investigate the other two entities' links to the sanctioned entities, because the German Government will need evidence suitable for a German law court to freeze their assets. Krumpholz, Office Director in the same division, said however it is unlikely the three entities have any financial assets in Germany.

[1](#)3. (C) Krumpholz said the EU Council's common position on implementing the UNSCR 1737 sanctions has been agreed but has not yet entered into force of law. She said the common position must be published in all official EU languages to become a binding regulation; however, in this case, the publication is being delayed because of the difficulty in translating the common position into the newest EU languages. Until the EU's publication of the regulation, Germany's preliminary order will prevent any UNSC-listed entities from transacting business in Germany.

[1](#)4. (C) Krumpholz said the EU regulations for restricting dual-use items will apply to the sanctioned Iranian entities and persons. She said applications to export any EU-listed dual-use items to the sanctioned Iranian entities and persons will be denied. The license denials will serve another purpose, she noted, because the German Economic Ministry routinely denies insurance for export credit guarantees for German investment in entities that have been denied German goods. Therefore, German firms will have an additional disincentive to invest in the sanctioned Iranian entities.

[1](#)5. (C) Schuett, desk officer in the MFA's International

Economic and Financial Policy Division, said she will discuss the USG information with other relevant German officials. She said the MFA has the lead in drafting the government report on Germany's implementation of UNSCR 1737 and will issue it after the IAEA reports on or around February 22 to the UNSC on Iran's compliance with UNSCR 1737.

TIMKEN JR